falo Museum of Science to relinquish custody of this collection and to transfer it to the Institution, which has since been done. Under the Trading With the Enemy Act, vested alien property, such as the Von der Heydt collection, must be "liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States." This language has been previously construed so as to prohibit the Attorney General from making donations of vested alien property. Thus, it is considered necessary for legislation to be enacted to authorize the transfer of title to this collection to the Smithsonian Institution, notwithstanding the existence of section 4 of the act of May 17, 1938—20 U.S.C. 76d—authorizing agencies to donate to the Smithsonian any works of art under their control.

Enactment of this proposal would be in the interest of and for the benefit of the United States. Rather than disposing of this collection by sale and thus dispersing these important objects into the hands of various museums, private collectors, and dealers throughout the world, the Attorney General could donate these objects to the Smithsonian Institution, where, as part of the national collections, they may be exhibited for the benefit of the millions of visitors who throng its museum halls each year and where a highly competent professional staff may study and publish manuscripts describing them for the benefit of scholars throughout the world.

Enactment of this proposal would not result in an appropriation request for care of the Smithsonian's collections beyond current levels.

The Attorney General and the Bureau of the Budget advise that they have no objection to the enactment of this legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2266) to authorize the Attorney General to transfer to the Smithsonian Institution title to certain objects of art, introduced by Mr. FULBRIGHT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

EXTENSION OF PROVISIONS OF TITLE XIII OF FEDERAL AVIATION ACT RELATING TO WAR RISK INSURANCE

Mr. MAGNUSON. Mr. President, at the request of the Secretary of Commerce, I introduce, for appropriate reference, a bill to extend the provisions of title XIII of the Federal Aviation Act of 1958, relating to war risk insurance. I ask unanimous consent that the Secretary's letter requesting the proposal be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2267) to extend the provisions of title XIII of the Federal Aviation Act of 1958, relating to war risk insurance, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., May 24, 1965.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Commerce has prepared and submits herewith as a part of its legislative program for the 89th Congress, 1st session, a draft of a proposed bill "to extend the provisions of title XIII of the Federal Aviation Act of 1958, relating to war risk insurance."

This proposed legislation would extend the life of title XIII of the Federal Aviation Act of 1958 (49 U.S.C. 1542), relating to war risk insurance, until September 7, 1970. Section 1312 of the act now provides for expiration of aviation war risk insurance authority on June 13, 1966.

Title XIII of the Federal Aviation Act of 1958 authorizes the Secretary of Commerce, with the approval of the President, to provide war risk insurance for the protection of aircraft and persons and property transported thereon, and other liabilities pertaining to aircraft or the owner or operator of such aircraft of the nature customarily covered by insurance, when commercial insurance cannot be obtained on reasonable terms and conditions. At present, as at the time of original enactment of these provisions of Public Law 47, 82d Congress (65 Stat. 65), commercial policies covering aviation war risks are issued only subject to automatic termination clauses in the event of outbreak of war between any of the four Great Powers (France, Great Britain and/or any of the British Commonwealth of Nations, the Union of Soviet Socialist Republics and the United States of America). Even though the United States might not be involved immediately, American aircraft would be without protection against loss by risks of war. Furthermore, prompt mobilization of the air transport facilities of the United States would be jeopardized without such insurance.

The general order on aviation war risk insurance which was issued on November 1, 1956, established an interim binder program for war risk insurance, war risk liability insurance, exclusive of cargo liability, and war risk carriers' liability to cargo insurance. Under a recent revision of this general order war risk insurance is now being provided, without premium, to the Department of Defense for participants in the Civil Reserve Air Fleet (CRAF) program; for certain civil air carriers while providing international and overseas transportation regularly required by the Department of Defense, including emergency airlift requirements not sufficient to justify the activation of CRAF. The same insurance is available to the Department of State for American air carriers entering into certain agreements with that Department. The Secretary of Defense and the Secretary of State have agreed to indemnify the Secretary of Commerce against all losses covered by such insurance.

If the provisions of title XIII are extended as proposed, it is anticipated that binder fees to be collected will more than cover expenses chargeable to the war risk insurance fund under peacetime operations.

The Department of Commerce recommends the early enactment of this proposed legislation.

The Bureau of the Budget advises there is no objection to the submission of this proposal from the standpoint of the administration's program.

Sincerely yours,

JOHN T. CONNOR,
Secretary of Commerce.

AMENDMENT OF TITLE XIII OF THE FEDERAL AVIATION ACT RELATING TO WAR RISK INSURANCE

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend title XIII—war risk insurance, of the Federal Aviation Act of 1958. I ask unanimous consent that a letter from the Secretary of Commerce, requesting the proposed legislation, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2268) to amend title XIII—war risk insurance, of the Federal Aviation Act of 1958, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., May 24, 1965.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Commerce has prepared and submits herewith as a part of its legislative program for the 89th Congress, 1st session, a draft of a proposed bill: "To amend title XIII—war risk insurance, of the Federal Aviation Act of 1958."

This proposal is a part of the legislative programs of the Department of Commerce and of the Department of Defense for the 89th Congress. The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress.

Title XIII of the Federal Aviation Act of 1958 authorizes the Secretary of Commerce, with the approval of the President, to provide insurance against loss or damage arising out of "war risks." At the time this title was enacted, however, specific consideration was not given to the possibility that commercial insurance covering risks other than war risks might not be available to civil carriers during periods of emergency while performing air transportation services for the Department of Defense or other Government agencies. As the Department of Commerce has gained experience in implementing the war risk insurance program and as the Department of Defense has developed its program for the utilization of commercial augmentation capabilities in emergency situations, it has become clear that the commercial insurance industry in the United States may not be able to provide insurance protection against risks other than war risks to which civil aircraft might be exposed while performing services for the Department of Defense or other Government agencies in emergency situations.

Although U.S. air carriers can purchase commercial insurance for aircraft operations during peacetime under Department of Defense contracts, the Department of Defense faces the real possibility that at precisely the time an emergency situation arises making the increased use of civil aircraft necessary, the insurance industry will cancel the commercial insurance covering those aircraft and the air carriers would then be faced with the alternative of (i) operating at their own risk without any normal insurance coverage, or (ii) refusing to perform necessary Government defense transportation services until insurance was made available.

The U.S. commercial aviation insurance underwriters have indicated that upon acti-

vation of the Civil Reserve Air Fleet (CRAF) their commercial insurance coverage against all kinds of risks will terminate. In other words, upon activation of the CRAF, the participating airlines would be covered by war risk insurance issued under title XIII of the Federal Aviation Act, but would not have any insurance whatsoever against any of the other types of risk, unrelated to hostile activities.

To provide assurance to the air carriers participating in the Civil Reserve air fleet program against such gaps in their insurance coverage, the Department of Defense has been compelled to use the extraordinary contractual authority of Public Law 85-804 to specify that, subject to the availability of appropriations, it would indemnify the air carrier against any loss occurring after activation of the Civil Reserve air fleet if that loss was not, in fact, covered by either commercial insurance or title XIII war risk insurance. This indemnification applies to all risks not covered by title XIII insurance, including risks which the commercial insurance industry is unwilling to insure during periods when the Civil Reserve air fleet has been activated. While this indemnification is limited under the present contract terms to periods when the Civil Reserve air fleet has been activated, the indemnification would have to be extended to periods of lesser emergency if commercial insurance coverage was withdrawn during such lesser emergencies.

The revision of title XIII proposed in the attached draft would enable the Departments of Commerce and Defense to assure U.S. air carriers which have guaranteed to make their aircraft available to the Defense Department for transportation services in periods of emergency that if commercial insurance coverage is canceled, title XIII insurance would be immediately available.

The attached draft legislation would authorize a program of insurance which, without interjecting the Government into areas where commercial insurance coverage is available, would provide assurance of protection to air carriers providing essential airlift in periods of emergency, a principal objective of title XIII.

The Departments of Commerce and Defense would expect to apply the new authority by providing that any insurance provided under the provisions of title XIII pursuant to the request of the Secretary of Defense shall, to the extent that is applicable to air transportation services performed in whole or in part outside the territory of the several States under the terms of a contract with the Department of Defense, attach upon the issuance of the policy, and provide insurance coverage with respect to all types of risks described in the policy: provided, that (1) the insured shall be compensated pursuant to this insurance for any loss, damage, or liability only to the extent that the insured is not compensated by commercial bonds or insurance; (2) the amount of compensation to the insured, together with all compensation from commercial bonds or insurance, for any loss, damage or liability shall not exceed the amount which the insured would have received from its commercial bonds and insurance, and from any demonstrable program for self-insurance, for a similar loss, damage or liability arising from a risk other than a "war risk" and arising during a transportation operation unrelated to any Government contract; in addition, the amount of compensation in the case of total loss of an aircraft, together with all compensation from commercial bonds or insurance, shall not exceed the amount determined as specified in section 1307(a) of title XIII; (3) the insured shall not be entitled to any compensation for loss, damage, or liability arising from any insured risk if the insured has been notified that the insurance against some or all of the insured risks is obtainable on reasonable terms and conditions from one or more companies authorized to do an insurance business in a State of the United States, and if the insured, after receipt of such notice, has failed to act with reasonable promptness to obtain such commercial insurance; and (4) the insured shall not be entitled to any compensation for loss, damage, or liability arising from any risk other than war risk unless the loss, damage, or liability arose in time of (i) airlift emergency determined by the Secretary of Defense or his designee; (ii) airlift emergency or national emergency determined by the President of the United States; or (iii) activation of the Civil Reserve Air Fleet; such determination or activation must have occurred subsequent to the enactment of this statute and the insured must demonstrate that prior to the determination or activation he had commercial insurance with or without accompanying self-insurance against such risks, which commercial insurance was canceled or ceased to be in effect by reason of the determination or activation.

The Department of Commerce, separate and apart from Department of Defense considerations, would also expect to apply the new authority under this draft legislation to comparable situations which might arise involving contractual relationship of other Government agencies with U.S. civil air carriers.

The Department of Commerce recommends enactment of the attached draft legislation and the Department of Defense concurs in this recommendation.

Sincerely yours,

JOHN T. CONNOR,
Secretary of Commerce.

EQUITABLE POSTAGE RATES FOR MUSEUMS

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to extend library postage rates to qualifying museums for the mailing of educational materials, loan exhibits, and other materials.

The present law provides the low-library postage rate for the mailing of certain specified articles when sent to or from schools, colleges, universities, or public libraries, and to or from nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations. Many museums are considered to be "educational" organizations within the present law, but exhibits and specimens are not included in the articles specified for low rates.

This bill would specifically include museums in the list of organizations and would amend the law to include museum materials, specimens, collections, teaching aids, and interpretive materials intended to inform and to further the educational work and interests of museums in the list of articles eligible for preferential rates.

Museums are doing significant work in the educational process. Their traveling exhibits reach millions of children who never get to a museum, and such exhibits can often lend to regular course material that exciting touch of reality capable of transforming a child simply attending school into a student. Such a program is certainly worth encouraging. Granting museums library postal rates would recognize these programs and give the mailing of their materials the same status as other educational materials.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2269) to extend preferential postage rates to qualifying museums for the mailing of educational materials, loan exhibits, and other materials, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

TRAVEL ALLOWANCES FOR U.S. EMPLOYEES UNDER CERTAIN HARDSHIP CONDITIONS

Mr. CANNON. Mr. President, I introduce, for appropriate reference, a bill to revise the statutory authority under which payment for services is made to U.S. employees.

The impact of this bill would affect no more than approximately 50 Government workers at the U.S. Atomic Energy Commission's Nevada test site.

Many of these men are called upon daily to travel more than 200 miles round trip in order to perform their services for the Government. They work side by side with employees hired by private industry who do receive travel allowances. This inequity would be corrected by the bill I am offering.

I ask unanimous consent that the bill may be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2271) to authorize the payment of an allowance of not to exceed $10 per day to employees assigned to duty at the Nevada test site of the U.S. Atomic Energy Commission, introduced by Mr. CANNON, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to provide authority for the payment of certain amounts to offset certain expenses of Federal employees assigned to duty on the California offshore islands, and for other purposes", approved August 31, 1964 (78 Stat. 745; 5 U.S.C. 70c), is amended by inserting after the word "islands" the words "or at the U.S. Atomic Energy Commission, Nevada Test Site, including the Nuclear Rocket Development Station,".

SEC. 2. The amendment made by this Act shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

NATIONAL FAMILY CAMPERS WEEK

Mr. COOPER. Mr. President, I introduce, for appropriate reference, a joint resolution to designate the week of July 11, 1965, as National Family Campers' Week.

More than 5,000 members of the National Campers and Hikers Association will pitch tents in a Kentucky park next week as they begin their annual convention. Representing a membership of more than 12,000 families in the 50 States, Canada, and Mexico, the associa-

only rooftop heliport presently in use in the United States.

You may have read in the papers that the port is studying the feasibility of establishing an industrial foreign trade zone at the airport. Should such a zone be created, this again would be a first. These, with many other firsts for the port of Oakland, relate only to our industry, land and the air arm of our operations. The port, however, has marine terminals and in this field all systems are also go. Sea-Land, which has established Oakland as its west coast base, has developed a great intercoastal container operation. We recently concluded negotiations with Sea-Land from the doubling of their present facilities.

The port established a port of Oakland office in Tokyo this year for the purpose of assisting in the expansion of trade.

A week ago the board of port commissioners approved the leasing of space in its headquarters building for an international trade center which will be occupied by importers, exporters, U.S. customs, an international bank and others engaged in world trade and commerce. Again, with the future in mind the planning of this center contemplates approximately 30,000 square feet to be devoted to the trade center. We have reason to be optimistic about this development because we have letters of intent from potential tenants for most of the space in the first phase of this project.

We are working closely with BARTD on their plans for tunneling under San Francisco Bay, and expect to develop a new deepwater terminal facility at the old S. P. Mole as a part of this tunnel project.

Another first—we visited our office in Brussels, which was established in 1964, and found it to be effective in telling our stories.

These firsts and accomplishments, however, cannot be attained without people. The port has people. In the past 2 years many important changes in port personnel have taken place. A team with experience, vitality and the spirit of making "all systems go" has been placed in the key positions of the port, and I assure you they are prepared to meet the challenges. We know this team will help bring about the increase in American exports as predicted by Secretary of Commerce Connor, from the present $25.6 billion to the anticipated $38 billion and imports from $19 billion to $28.5 billion by 1975.

All in all we are very proud of past developments within the port of Oakland and we are confident that this excellent progress will continue and even speed up in the coming years.

Now let me talk about the travels of port people this year. First, we made a trip to Japan and a short time later a trip to Europe. The purposes of these trips were threefold. First, we wanted to inform people about the port of Oakland and the airport. Second, we wanted to become acquainted with the areas we visited; we wanted to learn more about the people and the role of world trade from their point of view. Third and last, we wanted to study at firsthand the problems of our trading partners, so we could plan and bring about even more progress for the port of Oakland to better serve our customers. I believe all three missions were successfully accomplished.

In our oversea visits we talked with businessmen, American Embassy personnel, shipowners, and many others. We informed them of the port and airport facilities which now exist and discussed at length the facilities which we have planned for the future in order to provide better services for them. While in Japan, we were searching for the "right man" to be a representative for the port of Oakland in Tokyo and to establish our office there. This we accomplished with singular success.

We also learned something about Japan as a power in the field of world trade. Japan ranks first in shipbuilding, second in the production of electronics and electrical machinery. She is competing with Germany for third place in steel production. Incidentally as part of this industry the port of Oakland plays an important role; large quantities of scrap iron and steel are shipped from the port to Japan. Japan is fourth in the world in automobile production.

Did you know that the Japanese gross national product last year was $78 billion? When this is compared with Italy's gross national product of $52 billion, the United Kingdom's $83 billion, France's $86 billion, and West Germany's $103.5 billion, you can readily see that Japan has become one of the leading industrial nations in the world. The Japanese are confident they will increase their gross national product by at least 10 percent this year, in spite of the setbacks which have been occurring. They have been increasing the gross national product on an average of 10 percent each year during this decade.

In many instances the Japanese have overbuilt their plants and as a consequence they must strive even harder to develop their export markets.

The Japanese are devoting less than 1 percent of their annual budget to defense. Industry therefore is spending its time in the manufacture of goods and services. Is it any wonder then that they are confident of an increase in their exports?

Japanese steel industry equipment investment is expected to be up 20 percent in fiscal 1965, over fiscal 1964. The petrochemical industry is expanding its capital investment by 58 percent; automobile and shipbuilding industries will be investing more heavily this year than in past years.

Makers of steel, steel products, nonferrous metal products and cameras have either formed, or sought permission to form, cartels in order to control prices through production control or by actual price fixing. This means that they will be even stronger as competitors throughout the world.

With the beginning of the current fiscal year, Japan's Ministry of International Trade and Industry has been elevated to the status of a trade promotion bureau, indicating that they are actively and vigorously seeking an expansion of their share of the world market. As Japan's biggest trading partner, the United States is bound to feel the impact of this increased export drive. Last year Japanese exports increased 27.5 percent over the previous year, and during the current year the Japanese Government predicts a gain of "only" 13 percent in exports. This is relatively nominal by Japanese standards but still formidable by any other measure.

The Japanese have a serious policy decision to make concerning trade with Red China. They know that China can become a big potential market some day; their trade with China has increased and I have the feeling that the Japanese hope to act as the bridge between the United States and China in trade, as England has done in the past between the United States and Europe. The Japanese have been converted to capitalism; therefore, when they are selling their products, they will be selling capitalism in Asia; this will help the free world in its political problems in Asia.

On the whole, we were most favorably impressed with the Japanese industry, the intelligence and skill of its people, and certainly with its capabilities to compete in today's world.

It is my personal observation that the Japanese market for goods produced in America will increase, but at the same time we must look to them as more serious competitors in world trade.

In April and May we visited 10 countries in Europe in a period of 20 days. This, of course, makes me an expert on Europe. Had we stayed a week longer, I can assure you I would not have been an expert.

We were greatly pleased with our reception as Californians and I can assure you that when the name California appears on a product in a foreign country, it is accepted as a product of quality.

Throughout Europe we were greatly impressed with the standard of living that exists.

The development of supermarkets and self-service markets in the Scandinavian and other European countries has much to do with this pattern. As this growth continues, undoubtedly greater consumption of foodstuffs will occur and, of course, the United States has an edge on all other countries in the world on mass marketing of its food products, therefore, California, being the fruit basket of the world will play a major part in this growth. We at the port of Oakland are very optimistic about the prospects of such a vast export market. But before anyone thinks this is a cinch, they must look at the ever-increasing competition in this field from Africa, Spain, and other Mediterranean countries.

As you know, we are now in the 52d straight month of unprecedented expansion in the United States; this is the longest such period in our history. Our gross national product in the last 4 years has increased by $160 billion, an amount equal to our total gross national product in 1942. Our personal income has increased from $403 billion to $516 billion in the last 3 years. Investment in plant equipment has increased by 50 percent in the last 4 years. All of this means that the United States is an attractive market for imports from countries throughout the world.

In Europe we learned that the EEC countries are concerned about inflation and have adopted an antiinflation program, which includes a 5-percent limit on governmental budget increases, long-term loans rather than central bank credit financing, and wage increases are being tied to productivity. They are very conscious that they do not want to bring about too much of a slowdown in economic growth, yet they realize that the tendency toward inflation must be checked. American companies are continuing to gain footholds in the Common Market, in spite of our administration's drive to try to stem the dollar outflow. From what we were able to learn, I have the impression that the Europeans cannot handle the financing necessary for American companies to set up subsidiaries in the Common Market countries with European capital; however, this could prove to be a short-term difficulty. Europe is looking at the United States as a market to help meet these problems.

We heard some doubt expressed about the swiftness with which the GATT negotiations can be concluded, because of the serious problems concerning agriculture, but on all sides we found a readiness on the part of the Europeans, to whom we talked, to continue the trade expansion which has taken place over the past 15 years and we were assured that U.S. products would continue to be well received.

On the other hand, we found that both the Japanese and the Europeans are becoming cost conscious. They are seeking ways to make world trade produce more favorable results. It is no longer enough that their so-called labor advantage can compete with the other countries in the world. They must, if our reading of the situation is accurate, look for and adopt the most far-reaching possible economies in conducting their world trade in order to continue to compete.

Our trips confirmed our knowledge that world trade is vital. They confirmed our belief that, without world trade, we, in this country, would be without many of the advantages we enjoy. We also learned, however, that others are looking at world trade to improve their economies. Cooperation in this field is most necessary. The Port of Oakland will continue to make every effort to cooperate with the world market to make "all systems go."

Finally, I wish to thank you for this opportunity to briefly tell you the story of a going organization. We would be delighted to have you visit the port of Oakland and see it in depth. We hope all of you can remain to see the film of the hovercraft in operation.

Thank you.

Secretary McNamara and Military Retired Pay

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 9, 1965

Mr. HÉBERT. Mr. Speaker, during the recent hearings on military pay before the House Committee on Armed Services, the Secretary of Defense Mr. Robert S. McNamara went into considerable detail in discussing the retired pay benefits which accrue to military personnel during their career in uniform. The overall impression which he may have left with some Members of Congress is that these benefits are extraordinary. Yet such is not actually the case.

Now, the Journal of the Armed Forces has published a fascinating study in which it compares the retirement benefits earned by Mr. McNamara during his 15 years with the Ford Motor Co., with those earned by a brilliant young military man. The analysis, by the Journal's Congressional Editor, Mr. Louis R. Stockstill, is detailed right down to the penny and it underscores the fact that military retired pay is not all that it is reported to be.

I commend the article to Members of the House and I ask unanimous consent that it be printed in the RECORD at this point:

SECRETARY MCNAMARA AND MILITARY RETIRED PAY

(By Louis R. Stockstill, Congressional editor)

No matter how rapidly he may have been promoted, no matter what outstanding contributions he may have made, no matter how important his assignment or the significance of his accomplishments, the most brilliant young officer in the Armed Forces, if he is of sound mind and body, is entitled to absolutely nothing in terms of retirement benefits at the end of 15 years' service to his country.

Everyone in military serivce knows this, but with the current preoccupation about the costs of the military retirement system, perhaps it would serve some useful purpose to compare the lot of the brilliant young man in the Armed Forces, after 15 years in uniform, to the lot of a brilliant young man in industry.

Let's take the example of Secretary of Defense Robert S. McNamara.

Mr. McNamara joined the Ford Motor Co. at the end of January 1946 as assistant director of the planning office. He was 29 years old. By all accounts, he was an outstanding young man. In less than 3 years he became director of the planning office. In 1949 he was made controller. In 1953, he became assistant general manager of the Ford Division. In 1955, he was promoted to vice president and general manager of the division. From 1957 to 1960 he was group vice president of car divisions and a company director. In 1960, he was elevated to the office of president.

SIXTEEN THOUSAND DOLLARS BENEFIT

In January 1961, after slightly less than 15 years' service with Ford, at the age of 44, Mr. McNamara left the company to become Secretary of Defense.

Without ever again returning to Ford, Secretary McNamara, on the basis of less than 15 years' employment with that company, is entitled, when he reaches age 65, to a retirement income of $16,187.96 per year. Life expectancy tables indicate that he should receive this amount for a period of 10 years for a total of $161,879.

In addition to the hefty salary Mr. McNamara received during his years at Ford, he also became entitled to "supplemental compensation" in the amount of $618,750. If he had made retirement contributions on this amount alone, at the 6½ percent rate required of Federal civilian employees, his contribution would have totaled more than $40,000.

Actually, Mr. McNamara contributed approximately $37,000 to the Ford retirement fund—a relatively small percentage of his total compensation, counting both salary and supplemental pay.

At the time he left Ford, the Secretary of Defense, if he had so desired, could have withdrawn the amount that he had paid into the retirement fund, together with interest which had accrued on the payments, receiving a lump sum check in the amount of $41,169.94.

Even if he had withdrawn his retirement contribution, however, he still would have been entitled to a "noncontributory retirement benefit" of $33.83 per month when he reaches age 65.

EIGHTEEN THOUSAND DOLLARS FOR CHIEF OF STAFF

Secretary McNamara's $16,000 retirement income from Ford—on the basis of 15 years' service—compares with the $18,000 retired pay received by a Chief of Staff after 30 years' service and the $18,000 retired pay received by former House Armed Services Committee Chairman Carl Vinson, Democrat, of Georgia, after 50 years in the Congress.

It should be remembered, of course, that the Pentagon chief made an enormous financial sacrifice when he agreed to leave his top industry post to serve in the President's Cabinet. Not only did he take a huge wage cut, but he lost certain company benefits to which he would otherwise have been entitled, and he elected not to exercise stock option rights which would have netted him a potential profit in the neighborhood of $60,000 to $70,000.

The comparison here is not designed to show Mr. McNamara in an unfavorable light. It is intended to show that the military retirement system, whatever its virtues, is not quite as glorious as some believe.

NO VESTED RIGHT

The military man has no vested right in his retirement income. The earliest he is entitled to any of its benefits (except in case of disability) is after 20 years' service. He can never withdraw any portion of the funds in case of need. Nor can he pass any part of the benefit on to his widow unless he agrees to a substantially reduced benefit during his own lifetime. If his wife predeceases him, the amount which has been deducted from his retired pay is lost forever. And, even so, the deductions continue although no portion of his retired pay will thereafter be paid to a second wife or other heir.

To go back to the example of the brilliant young officer—if he is so outstanding that he has been promoted to the rank of colonel after 20 years' service (and the average officer is not) and if he then elects to retire, and if his retirement is approved, he is entitled to an annual military retirement income of $5,812.20.

The amount of annual income is only about one-third the amount Mr. McNamara will receive, but the military man has one advantage not enjoyed by the Secretary of Defense. He starts receiving his retired pay immediately. He does not have to wait until age 65.

Yet it will come as a surprise to some—perhaps even to Mr. McNamara—to learn what this means in terms of the total annuity the two men will receive over their lifetime.

SMALL DIFFERENCE

Chances are that if a military man has become a colonel after 20 years' service he will be younger than 44, the age at which Mr. McNamara left Ford. This means his life expectancy is shorter than Mr. McNamara's. For the sake of argument, however, let us assume he is 44, in which case his life expectancy (73.78 years) is still less than is Mr. McNamara's. This means he will receive his retired pay for a period of about 30 years, for a grand total of $174,366 (not counting whatever small percentage increases he may be granted under the Consumer Price Index formula).

This is about $12,500 more than the amount to which Mr. McNamara is entitled. Of course, Mr. McNamara contributed $37,000 toward his retirement plan, whereas the military man is deemed to have contributed nothing. But, the military man had to work 5 additional years, at far less compensation, and with little opportunity to build up an estate, in order to obtain his benefit.

And, if he elects to provide for his wife, thereby accepting reduced retired pay, and if his wife dies before he does, he will never collect anything approaching the total $174,366.

Secretary McNamara is to be commended for his attempts to see that the Government properly accounts for military retirement costs, but in doing so, he should make a greater effort to assure that all aspects of the military retirement system are properly weighted in assessing this important benefit.

As the counsel for the House Armed Services Committee, Mr. Frank Slatinshek has pointed out, active duty military pay always has been "deliberately" held down in order to, in effect, charge members of the Armed Forces for retirement contributions which they do not actually make.

If a contributory system had existed for the services, Congress frequently has observed that the Government would have had to shell out more to maintain it than it has spent on the noncontributory system, and active duty military pay would have had to be increased substantially, thereby boosting Federal payroll costs and enlarging retirement benefits.

Secretary McNamara's preoccupation with the "accrued costs" of the system indicates that he has devoted considerable time and effort to developing a full understanding of this factor of the equation. But there are other factors and they also must be taken into account.

gust 5 and September 1. H.R. 10238 was unanimously reported from the House Education and Labor Committee. It passed the House on the call of the Consent Calendar on September 20, 1965, with the apparent unanimous support of the House Members.

Hearings were held by the Senate Subcommittee on Labor on September 23 and the bill was reported unanimously to the full Committee on Labor and Public Welfare the same day.

NEED FOR THE LEGISLATION

The need for this legislation is well stated in the report issued by the House Education and Labor Committee on Setpember 1, 1965 (H. Rept. No. 948), as follows:

"Many on the employees performing work on Federal service contracts are poorly paid. The work is generally manual work and in addition to craftwork, may be semiskilled or unskilled. Types of service contracts which the bill covers are varied and include laundry and drycleaning, custodial and janitorial, guard service, packing and crating, food service, and miscellaneous housekeeping services.

"Service employees in many instances are not covered by the Fair Labor Standards Act or State minimum wage laws. The counterpart of these employees in Federal service, blue-collar workers, are by a Presidential directive assured of at least the Fair Labor Standards Act minimum. Bureau of Labor Statistics surveys of average earnings in service occupations in selected areas in 1961 and 1962 show, however, that an extremely depressed wage level may prevail in private service employment. In contract cleaning services, for example, in some areas less than $1.05 an hour was paid. Elevator operators earned low rates, varying from $0.79 to $1.17 an hour. Service contract employees are often not members of unions. They are one of the most disadvantaged groups of our workers and little hope exists for an improvement of their position without some positive action to raise their wage levels.

"The Federal Government has added responsibility in this area because of the legal requirement that contracts be awarded to the lowest responsible bidder. Since labor costs are the predominant factor in most service contracts, the odds on making a successful low bid for a contract are heavily stacked in favor of the contractor paying the lowest wage. Contractors who wish to maintain an enlightened wage policy may find it almost impossible to compete for Government service contracts with those who pay wages to their employees at or below the subsistence level. When a Government contract is awarded to a service contractor with low-wage standards, the Government is in effect subsidizing subminimum wages.

TRANSFER OF CERTAIN CANAL ZONE PRISONERS TO THE CUSTODY OF THE ATTORNEY GENERAL

The bill (H.R. 724) to authorize the transfer of certain Canal Zone prisoners to the custody of the Attorney General was considered, ordered to a third reading, read the third time, and passed.

EXCERPT FROM THE REPORT (No. 799)

PURPOSE

This bill would permit the transfer of persons convicted of offenses in the Canal Zone to the custody of the Attorney General for transfer to prisons within the United States.

EXPLANATION

The Canal Zone Penitentiary has a population that averages 90 to 100 prisoners of whom not more than about 10 are citizens of the United States. The small number of inmates makes the operation of a rehabilitation program difficult. The location of the penitentiary complicates possible visits from relatives and friends. Rehabilitation programs and visits are both important elements in accomplishing prisoner reform.

This bill would provide authority for the Governor of the Canal Zone to contract with the Attorney General of the United States for the transfer to the custody of the Attorney General of prisoners who are citizens of the United States. The law requires that such contracts provide for reimbursing the United States in full for all costs or other expenses involved.

The American citizens imprisoned in the Canal Zone normally are persons who are in military service when convicted or who were seamen or other persons in a transient status at the time of conviction. The inmates all were convicted of felonies and hence there is no likelihood of returning prisoners with very short sentences.

AUTHORIZATION TO CERTAIN MEMBERS OF THE ARMED FORCES TO ACCEPT AND WEAR DECORATIONS OF CERTAIN FOREIGN NATIONS

The bill (H.R. 3045) to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations was considered, ordered to a third reading, read the third time, and passed.

EXCERPT FROM THE REPORT (No. 800)

PURPOSE

The bill would authorize members and former members of the Armed Forces of the United States who have served in Vietnam after February 28, 1961, to accept from the Government of Vietnam or the government of friendly foreign forces engaged in the conflict in Vietnam, decorations, awards, and emblems tendered to them as a result of service there.

EXPLANATION

Clause 8 of section 9 of article I of the Constitution of the United States requires congressional consent before a person holding an office of profit or trust under the United States may accept foreign decorations or awards.

The qualifying phraseology "in which the United States is not a belligerent party" is included to cover circumstances in which the Armed Forces of the United States are operating under conditions short of formal belligerency. The same phraseology was used in earlier legislation to permit the award of the Medal of Honor, the Distinguished Service Cross, and the Silver Star by our military departments to members of the U.S. Armed Forces as a result of their service in Vietnam.

The qualifying date of February 28, 1961, was selected because this was the approximate time when American military advisers began accompanying their Vietnamese counterparts on military operations.

Acceptance of decorations and awards under the bill is subject to regulations prescribed by the Secretaries of the Departments concerned. The committee was informed that the decorations and awards authorized for acceptance by members of the U.S. Armed Forces would generally meet the same criteria as are established for U.S. decorations. The committee strongly desires that the decorations and awards authorized for acceptance will not be of a type or quantity that would depreciate the honor or value of U.S. decorations.

The committee was informed that our military commanders in Vietnam regard approval of this legislation as being important to the morale of our forces there.

DISBURSEMENTS TO ARMED FORCES OF FRIENDLY FOREIGN NATIONS

The bill (H.R. 5665) to authorize disbursing officers of the Armed Forces to advance funds to members of an armed force of a friendly foreign nation, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

EXCERPT FROM THE REPORT (No. 801)

PURPOSE

This bill would authorize officers of the Army, Navy, Air Force, Marine Corps, and Coast Guard who are accountable for public money to make advances of funds under exigent circumstances to members of friendly foreign armed forces.

EXPLANATION

Except through the exercise by the President of war powers there is no authority for disbursing officers of our Armed Forces to make advances to members of friendly foreign armed forces. In recent years there have been many situations short of war that resulted in the quick assembly of troops of several allied nations. In some of these cases small groups of foreign troops have not had a disbursing capability of their own. In these circumstances it is desirable that the disbursing officers of the United States have authority to make advances to the members of the armed forces of friendly foreign nations.

Disbursing officers of the armed forces of Britain and Canada have authority to make advances to the Armed Forces of the United States in peace and in war. This bill would permit reciprocity for the benefits offered by Britain and Canada and to other friendly foreign nations.

The bill requires that any advances made under its authority must be reimbursed by the nation whose military forces are advanced funds. The bill also requires that any nation that would benefit from this authority must agree to make similar advances to forces of the United States on a reciprocal basis. No advance will be made under authority of the bill until the President has entered into an agreement with the foreign nation concerned providing for reimbursement and for reciprocity.

The committee understands that the Department of Defense intends to advance funds only to small detachments of troops not having their own disbursing facilities.

COST

This bill would not increase the level of Federal expenditures as the funds advanced would be reimbursed by the nations to which they were advanced.

LAND CONVEYANCE, SAN DIEGO, CALIF.

The bill (H.R. 7329) to provide for the conveyance of certain real property of the United States to the city of San Diego, Calif. was considered, ordered to a third reading, read the third time, was passed.

EXCERPT FROM THE REPORT (No. 802)

PURPOSE OF THE BILL

The bill directs the Administrator of General Services to convey to the city of San Diego, Calif., at the estimated fair market value, all of the right, title, and interest of the United States to approximately 0.67 acre of land located in the Navy Capehart housing area at the Admiral Hartman site in San Diego, Calif.

Upon receipt of the property, the city of San Diego plans to lease the land to the

YWCA for the purpose of constructing a recreational facility which would benefit the military and civilian residents in the area. There are 439 single units of housing in the Admiral Hartman site, and while the recreational facility proposed to be constructed by the YWCA will not be for the exclusive use of the military and their dependents, it is expected that they will be the principal supporters.

The property in question has no current usage by the Navy and has no improvements thereon other than two construction shacks, of dubious value, built by the contractor during the construction of the Capehart project which was completed in 1960. It is now in the process of being reported to the General Services Administration as excess to the needs of the Department of the Navy. The estimated fair market value of the land is stated to be less than $10,000.

FISCAL DATA

Since the bill provides for the conveyance of the land at the estimated fair market value, there will be no increase in budgetary requirements.

SHIPMENT AT GOVERNMENT EXPENSE OF PRIVATELY OWNED VEHICLES OF DECEASED OR MISSING PERSONNEL

The bill (H.R. 9975) to authorize the shipment at Government expense to, from, and within the United States, and between oversea areas of privately owned vehicles of deceased or missing personnel, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EXCERPT FROM THE REPORT (No. 804)

PURPOSE

This bill would authorize shipment at Government expense from locations within the continental United States of private vehicles owned by missing or deceased military or civilian employees of the Federal Government.

EXPLANATION

The Missing Persons Act now provides authority for shipment at Government expense of a privately owned vehicle of missing or deceased personnel only when the vehicle is located outside the continental United States or in Alaska at the time the casualty status occurs.

The absence of authority for shipments of vehicles at Government expense from locations within the continental United States has caused hardships to widows or other survivors of deceased persons or other dependents of persons who are missing. The hardships are greater when there are minor children or aged parents in the family of the deceased or missing person. In these circumstances, because of their remoteness from the automobile and the emotional condition of the survivors, it is difficult for them to travel to the member's last duty station to claim the vehicle.

The Department of Defense considers the absence of authority to ship an automobile in these cases as presenting a significant morale problem.

REIMBURSEMENT AMONG MILITARY MEDICAL FACILITIES

The bill (H.R. 10234) to amend section 1085 of title 10, United States Code to eliminate the reimbursement procedure required among the medical facilities of the Armed Forces under the jurisdiction of the military departments, was considered, ordered to a third reading, read the third time, and passed.

EXCERPT FROM THE REPORT (No. 805)

PURPOSE

This bill would eliminate the statutory requirement for reimbursement among the military departments for hospitalization furnished to a member or a dependent of another military department.

EXPLANATION

Under current law when a member or a former member of a uniformed service (or an eligible dependent) receives inpatient care in a medical facility of another uniformed service, the service furnishing the care must be reimbursed by the member's service the rates established by the Bureau of the Budget. The current rates are $27 per day for persons on active duty receiving care in facilities of another military service and $42 per day for dependents receiving care in facilities of a service other than that of the sponsor.

The Department of Defense considers that the current requirement for reimbursement is an expensive and unnecessary exercise in paperwork. Approval of this bill will neither increase nor decrease the cost of medical care within the Department of Defense. Any changes in the funds available to one military department will be compensated for by changes in funds of the other services.

Out patient medical care is now provided on a nonreimbursable basis within the Department of Defense and the same system would follow for impatient care upon enactment of this bill.

The current requirement for reimbursement between an armed force under the jurisdiction of a military department and another uniformed service not under the Department of Defense would be retained.

COST

Enactment of this bill will not increase the medical care within the Department of Defense but should result in some administrative savings.

RANK OF LIEUTENANT GENERAL OR VICE ADMIRAL FOR SURGEONS GENERAL OF THE ARMY, NAVY, AND AIR FORCE

The Senate proceeded to consider the bill (H.R. 7484) to amend title 10, United States Code, to provide for the rank of lieutenant general or vice admiral of officers of the Army, Navy, and Air Force while serving as Surgeon General which had been reported from the Committee on Armed Services, with amendments on page 2, at the beginning of line 1, to strike out "general, but is not counted as a lieutenant general against any strength prescribed by, or under, law" and insert "general"; on page 3, line 11, after the word "of", to strike out "vice admiral, but is not counted as a vice admiral against any strength prescribed by, or under, law" and insert "vice admiral"; and, after line 15, to strike out:

"§ 8036. Surgeon General: grade

"The officer who is designated as a medical officer under section 8067(a) of this title and who is serving as Surgeon General of the Air Force has, while so serving, the grade of lieutenant general. He is not counted as a lieutenant general against any strength prescribed by, or under, law."

(b) The analysis of chapter 805 of title 10, United States Code, is amended by inserting the following item:

"8036. Surgeon General: grade."

And, in lieu thereof, to insert:

"§ 8036. Surgeon General: appointment, grade

"There is a Surgeon General of the Air Force who is appointed by the President by and with the advice and consent of the Senate from officers of the Air Force who are designated as medical officers under section 8067(a) of this title. The Surgeon General, while so serving, has the grade of lieutenant general."

(b) The analysis of chapter 805 of title 10, United States Code, is amended by inserting the following item:

"8036. Surgeon General: appointment, grade."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

EXCERPT FROM THE REPORT (No. 807)

PURPOSE OF THE BILL

The purpose of the bill is to amend existing law so as to provide, by statute, that officers of the Army, Navy, and Air Force while serving as Surgeons General will hold the rank of lieutenant general or vice admiral (three-star rank) and be entitled to the pay and allowances of such grade while so serving.

The bill also would provide for retirement in three-star grade for such officers subject to Senate confirmation.

EXISTING LAW

Under existing law medical officers of the Army and Navy who are designated as Surgeon General of their respective military services are appointed in the grade of major general or rear admiral of the upper half, respectively (secs. 3036 and 5133, title 10, United States Code). There is no similar statutory provision for the position of Surgeon General of the Air Force, although the officer assigned to that position is normally a major general.

At the present time the Surgeon General of the Army and the personal physician to the President hold the rank of lieutenant general and vice admiral, respectively, by virtue of the authority vested in the President to designate certain positions of importance as warranting this grade for the incumbents.

REASONS FOR THE BILL

The Senate Committee on Armed Services is of the opinion that this legislation is justified for the following reasons:

1. The bill will remedy the present anomalous situation in which the chief medical officer of one of the military departments holds a higher rank than the other two Surgeons General. Moreover, it will remedy the situation in which the chief medical officer of the Navy is, in fact, junior in grade to one of the officers normally under his command. This observation should not be construed as indicating that the private physician to the President should not properly hold the three-star rank.

2. The responsibility of each of the Surgeons General of the three military services justifies the rank of lieutenant general or vice admiral for these positions. The Surgeons General have the vast responsibility of worldwide medical care for several millions of military personnel and their dependents. They are responsible for developing and maintaining medical services necessary to support military operations both in war and peace. This position involves the responsibility for the health of about 3 million military members on active duty. In addition, there are about 4 million dependents of active duty personnel, together with additional retired members and their dependents, all of whom receive medical care

S 2127

House of Representatives

THURSDAY, SEPTEMBER 23, 1965

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., prefaced his prayer with this verse of Scriptures: I John 3: 11: *This is the message that ye heard from the beginning, that we should love one another.*

Eternal God, in these moments of prayer, may we come nearer to Thee and cling to Thee with greater love and faith and that we may have Thy light and love to solve our problems and perform our appointed duties.

We beseech Thee to enter our minds by ways known only to Thyself and send us into the crowded ways of life with hearts of compassion and as servants of Thy holy will and teach us that the hope of the world lies in the realization of God and the practice of brotherhood.

Help us to understand that we give proof of our religion when we resolve to make it strong enough to overcome our apathy, our antipathy, our unkindness, and strong enough to unite us in a fellowship and a willingness to serve the needs of humanity.

Let us never be content with toleration, but give us insight, understanding, and appreciation. May we reveal love where now there is hatred; where there is rancor, may there be concord. May we lead and lift ourselves and others into a more radiant faith in Thy love and goodness.

In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 597. An act to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate health science library services and facilities.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2580. An act to amend the Immigration and Nationality Act, and for other purposes; and

H.R. 9336. An act to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2580) entitled "An act to amend the Immigration and Nationality Act, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. MCCLELLAN, Mr. ERVIN, Mr. KENNEDY of Massachusetts, Mr. HART, Mr. DIRKSEN, Mr. FONG, and Mr. JAVITS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5688) entitled "An act relating to crime and criminal procedure in the District of Columbia," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BIBLE, Mr. MORSE, Mr. MCINTYRE, Mr. KENNEDY of New York, Mr. TYDINGS, Mr. BEALL, and Mr. DOMINICK to be the conferees on the part of the Senate.

AMENDING TITLE 38, UNITED STATES CODE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2127) to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones, and for other purposes, with a Senate amendment to the House amendment, and concur therein.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 17, lines 11 and 12 of the House engrossed amendment, strike out "as a direct result of an explosion of an instrumentality of war; or" and insert "as a direct result of the extra hazard of military or naval service, as such hazard may be determined by the Administrator; or".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ADAIR. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Texas would give us a brief explanation of the Senate amendment? In advance of that I will say, Mr. Speaker, speaking for myself and I think for all minority Members, we are completely in accord with it, and that an excellent result was achieved. But I do wish the gentleman would tell us briefly what has happened.

Mr. TEAGUE of Texas. Mr. Speaker, when this bill was being considered by the House, last Monday, the case of a young soldier was discussed. He was killed in a vehicle which turned over on the way back to camp from the training area where the young soldier had been engaged in a training maneuver. The question was raised whether this man would be covered by section 3 of the bill—the $5,000 death gratuity section. We believed that the language used in the bill, as reported to the House, would cover such a case.

After the bill was passed by the House, the Veterans' Administration informed me that it would not cover him. So this language merely broadens the death gratuity section.

Second, Mr. Speaker, the insurance program represented in this legislation is a prime example of private enterprise combining with and cooperating with the Federal Government in providing a benefit to a segment of our population—a most deserving segment, I might add. It offers living proof that the Federal Government and private enterprise represented by the insurance industry can enter into a partnership with the result of benefiting the Nation's citizens. It is most unfortunate that we in the Congress too frequently are called upon to vote upon social reforms in which Government undertakes the entire program with free enterprise stifled or being given little opportunity to demonstrate its potential or its ability to solve the problem. In this instance, it appeared desirable to make life insurance protection available to members of the uniformed services. Our committee did not respond by drafting a measure authorizing a new government life insurance program. Instead, the insurance industry was consulted to see whether or not they could solve the problem without the Federal Government entering further into the insurance business. The Subcommittee on Insurance, as well as the entire Committee on Veterans' Affairs are to be commended for taking this unprecedented step. The insurance industry responded nobly to the call for assistance. The result is the partnership represented in the measure before you today, with the insurance industry issuing and underwriting the insurance program and the Government bearing the costs associated with extrahazardous deaths. This is an excellent program which serves to perfect a sound structure of veterans' benefits.

Mr. ADAIR. Mr. Speaker, I should like briefly and simply to say I do feel, and I am sure this is the opinion of many people as expressed when this legislation was before the House a few days ago, that this is first of all highly desirable protection for the men who are now in uniform and their families.

Mr. SAYLOR. Mr. Speaker, I rise in support of the motion offered by the distinguished chairman of the Committee on Veterans' Affairs to accept the Senate amendment to S. 2127. Members will recall that last Monday the House amended

this measure that passed the Senate with a $10,000 indemnity limited to men who died in combat. The House amendment increased the scope of the Senate bill by offering $10,000 worth of insurance to every member of the armed services, not just those who were killed in combat. The fact that this was a considerable improvement over the Senate bill is attested to by the fact the Senate accepted the amendment yesterday without controversial debate. The Senate amendment is designed to eliminate some of the inequities with respect to the payment of the death gratuities for deaths occuring between January 1, 1957, and the effective date of this bill that was brought out during the House debate on this measure.

I urge the adoption of the chairman's motion.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. TEAGUE]?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDING SECTION 510 OF THE MERCHANT MARINE ACT, 1936

Mr. GARMATZ submitted the following conference report and statement on the bill (H.R. 728) to amend section 510 of the Merchant Marine Act, 1936, which was ordered to be printed:

CONFERENCE REPORT (H. REPT. No. 1085)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 728) to amend Section 510 of the Merchant Marine Act, 1936, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That (a) the first sentence of subsection (1) of section 510 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1160(i)), is amended as follows:

"(1) By striking out 'within five years from the date of enactment of this Act warbuilt vessels (which are defined for purposes of this subsection as oceangoing' and inserting in lieu thereof the following: 'before July 5, 1970,'.

"(2) By striking out 'during the period beginning September 3, 1939, and ending September 2, 1945)' and inserting in lieu thereof the following: 'before September 3, 1945,'.

"(3) By inserting immediately before the words 'owned by the United States' the following: '(which are defined for purposes of this subsection as oceangoing vessels of one thousand five hundred gross tons or over which were constructed or contracted for by the United States shipyards during the period beginning September 3, 1939, and ending September 2, 1945)'.

"(b) Paragraph (1) of subsection (i) of section 510 of the Merchant Marine Act, 1936, as amended, is amended to read as follows:

"'(1) The traded-in vessel shall have been owned by a citizen or citizens of the United States, documented under the laws of the United States, and shall not have been operated with operating-differential subsidy under title VI of this Act by the applicant or any affiliate of the applicant for at least three years immediately prior to the date of the exchange.'

"(c) Paragraph (2) of subsection (i) of section 510 of the Merchant Marine Act, 1936, as amended, is amended by inserting after the period at the end thereof the following: 'The value of a vessel when traded out shall be calculated in the same manner as its value was determined when it was traded in, except that vessels traded in prior to October 1, 1960, shall be valued on the basis yielding the highest fair return to the Government commensurate with the purposes of this subsection. In each exchange of vessels under this subsection, the value of the vessel traded-in, unless based on scrap value, and the value of the vessel traded-out shall be calculated in the same manner.'

"(d) Paragraph (9) of subsection (i) of section 510 of the Merchant Marine Act, 1936, as amended, is amended to read as follows:

"'(9) Except where traded out for use exclusively in trade and commerce on the Great Lakes, including the Saint Lawrence River and Gulf, tanker vessels may be traded out under the provisions of this subsection only for major conversions into dry cargo carriers or liquid bulk carriers, including natural gas carriers but excluding bulk petroleum carriers.'

"SEC. 2. Section 510 of the Merchant Marine Act, 1936, is further amended by adding at the end thereof the following new subsection:

"'(j) Any vessel heretofore or hereafter acquired under this section, or otherwise acquired by the Secretary of Commerce under any other authority shall be placed in the national defense reserve fleet established under authority of section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and shall not be traded out or sold from such reserve fleet, except as provided for in subsections (g) and (i) of this section. This limitation shall not affect the rights of the Secretary of Commerce to dispose of a vessel as provided in other sections of this title or in titles VII or XI of this Act.'"

And the Senate agree to the same.

EDWARD A. GARMATZ,
THOMAS L. ASHLEY,
THOMAS N. DOWNING,
WILLIAM S. MAILLIARD,
THOMAS M. PELLY,
Managers on the Part of the House.

WARREN G. MAGNUSON,
E. L. BARTLETT,
DANIEL B. BREWSTER,
WINSTON L. PROUTY,
PETER H. DOMINICK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 728) to amend the Merchant Marine Act, 1936, as amended, to broaden the vessel exchange provisions of section 510 of the act, to extend such provisions for an additional 5 years, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the text of the House bill and the text of the Senate amendment and that the Senate agree to the same.

Except for clerical and minor drafting changes, the differences between the Senate amendment and the substitute agreed to in conference are noted below.

Section 4 of the Senate amendment amended paragraph (3) of subsection 510(i) of the Merchant Marine Act of 1936, as amended, by providing that: "The value of a vessel when traded out shall be calculated in the same manner as its value was determined when it was traded in."

No comparable provision appeared in the House bill.

The House receded from its disagreement to this provision of the Senate amendment, countering with a substitute. It was this substitute which was accepted, serving to amend paragraph (2) of subsection 510(i) of the Merchant Marine Act of 1936, as amended, which will read as follows:

"(2) The value of the vessel when traded out shall be calculated in the same manner as its value was determined when it was traded in, except vessels traded in prior to October 1, 1960, shall be calculated on the basis yielding the highest fair return to the Government commensurate with the purposes of this subsection. In each exchange of vessels under this subsection, the value of the vessel traded in, unless based on scrap value, and the value of the vessel traded out shall be calculated in the same manner."

It is not intended that this amendment will affect the present law concerning the valuation of vessels of the military type, as provided for in paragraph (3) of subsection 510(i) of the Merchant Marine Act of 1936, as amended.

Section 1(c) of the House bill amended paragraph (9) of subsection 510(i) of the Merchant Marine Act of 1936, as amended, so as to remove the absolute prohibition against trading out tanker vessels, subject to certain conditions. Section 3 of the Senate bill provided for a similar amendment removing the absolute prohibition against trading out tanker vessels. The position of the managers on the part of the House was that the Senate version was not sufficiently definitive since it provided that:

"(9) Tanker vessels may be traded out under the provisions of this subsection only for nontanker use."

But failed to adequately define "nontanker use."

Section 1(c) of the House bill, on the other hand, provided that:

"(9) Tanker vessels may be traded out under the provisions of this subsection only for conversion into dry bulk carriers to be operated only in the domestic trades, except where traded out for use exclusively in trade and commerce on the Great Lakes, including the Saint Lawrence River and Gulf. No tanker vessel so traded out, or any part thereof, shall be used in the construction or reconstruction of a vessel."

The House receded from its provision restricting the operation of such tanker vessels to the dometsic trades. The Senate agreed to the inclusion of the exception for the Great Lakes. There was mutual agreement to delete the restriction in the last sentence of the House version barring the use of such tanker vessels for the construction or reconstruction of a vessel.

The following language was agreed upon as an amendment to paragraph (9) of subsection 510(i) of the Merchant Marine Act of 1936, as amended:

"(9) Except where traded out for use exclusively in trade and commerce on the Great Lakes, including the Saint Lawrence River and Gulf, tanker vessels may be traded out under the provisions of this subsection only for major conversion into dry cargo carriers or liquid bulk carriers, including natural gas carriers but excluding bulk petroleum carriers."

The language "for major conversion into dry cargo carriers or liquid bulk carriers, including natural gas carriers but excluding bulk petroleum carriers," was agreed upon in recognition of technological changes within the maritime industry. Under this pro-

When President Johnson spoke out recently against the blot created on the U.S. landscape by overhead utility lines, AOPA and most light plane pilots were quick to agree that something should be done to rid the skies of the growing maze of those strands. But the reasons for ridding powerlines from view were vastly different.

To President Johnson and the architects concerned with the esthetic aspects of his Great Society, snake strung powerlines are distasteful because of the unsightly mar they place above the rocks and rills. To the light plane user they represent a too frequently unsighted hazard to life and limb.

The number of pilots who have found themselves ensnared by power or telephone lines before crashing to death or injury over the years cannot be easily calculated, but it is no mean number. Those who have undergone the heartstopping experience of colliding with the unseen but death-laden cords on takeoff or landing and who have lived to recount that terrifying instant can be found at any airport. Statistically, the powerline problem deserves more than passing notice.

In the most recent 2 years for which complete reported figures are available (1962–63), CAB records show that 293 planes collided with utility lines or poles. These accidents resulted in 66 deaths and 72 serious injuries, destruction of 129 aircraft and substantial damage to 164. Although CAB's figures show that the majority of these accidents occurred in flight—indicating that they may have been the result of agricultural operations, or unwarranted low flying—a review of specific accident reports reflects that a sizable percentage of powerline entanglements occur during takeoff and landing phases of flight.

It is more than a little probable that reportable powerline mishaps represent only a small portion of those that actually occur. At a small rural airport near Washington, D.C., for example—which, incidentally, offers an excellent turf runway—nine pilots have tangled with a four-strand pole line that blocks one end of the runway. Only two of those accidents resulted in reportable damage or injury, but it is a safe bet that all pilots involved emerged with a few new gray hairs. And they have shelled out an estimated $1,500 as a penalty for "trespassing" into the midst of those almost invisible strands of wire.

Since 1939, AOPA has waged a continuing fight to bring about the burial or removal of powerlines adjacent to airports, but with scant success. A study of the 1965 AOPA Airport Directory indicates that they are more numerous today than ever before. Out of approximately 8,300 hard-surface landing places in the 50 States, 2,366 list utility lines or poles as runway obstructions. Because the presence of such potential death traps is hardly a matter to boast of, it is likely that even more of the spidery sinews lurk in airport approach and departure paths.

Another factor that makes that 28½-percent obstruction figure appear conservative is the explosive infringement of suburbia on previously rural locations of some airports. Approaches and clear zones that may have been unobstructed by manmade hazards yesterday might today be liberally cluttered by the electrical webs that accompany demographic shifts.

In many locations, according to the Flight Safety Foundation, farsighted and public-minded utility companies have marked some lines considered potentially dangerous to aircraft. But in many more, the attitude seems to be "Let the flyer beware."

Until wires are marked by attention-commanding discs or made more visible by some process in original manufacture, the foundation believes, telephone and powerlines will remain the hidden quantity capable of downing an aircraft, sometimes as surely as if it had been shot from the skies. In AOPA's opinion, burial of lines in the vicinity of airports is preferable to marking.

Depressingly, until the President's recent fixation on natural beauty, there appeared to be little that could be done to impede the ivy-like spread of powerlines in the vicinity of airports. A few years ago, for instance, when the Potomac Electric Power Co. announced its intention to erect a high-voltage transmission circuit near Freeway Airport in Mitchellville, Md., FAA's Obstructions Evaluation Branch determined that it would constitute a definite hazard to the more than 100 aircraft based there and to transient traffic using the field.

Too bad, responded PEPCO, but that's the most economical location for our line. And that is where it went up. AOPA sought to intercede in the case, claiming that FAA had the authority to prevent construction of such a hazard. FAA's Office of General Counsel, however, didn't see it that way and decided that nothing further could be done.

The issue of overhead powerlines as obstructions to airport approaches has been a discouraging one to AOPA and other organizations in countless similar cases. In the late 1940's AOPA mounted a fullscale drive to eliminate the hazard by circularizing the country's leading utility companies. It was pointed out that the potential disruption of service and increased maintenance costs posed by highlines near airports should be as distasteful to utility company officials as the hazard created by such structures was to the general aviation industry. Only in rare instances were those pleas even acknowledged by the omnipotent utility company czars.

When—as happened more than infrequently—one of the metal webs claimed the life of an airman or put his plane out of operation, AOPA flooded the community concerned with posters, boldly captioned: "Bury the wires * * * not the pilot."

In a few cases such postmortem, graphic pleas resulted in aroused public indignation that drove the powerlines underground or to new locations. All too frequently, however, the campaign met with more powerful propaganda from the utility companies and public indifference on the part of all except family and friends of the departed pilots.

The question of legal liability in collisions with powerlines is becoming more unsettled as increasing numbers of such accidents occur. A few years ago, the pilot was generally held liable for any damage inflicted on the metal threads. Wear and tear on him and his plane were unfortunate but not compensable through the courts, because obviously he was the trespasser who violated the stationary and therefore innocent powerline.

More recently, however, the scale of justice seems to have tilted the other way. Two California cases tested the theory of "absolute liability," meaning the pilot must pay for damage to powerlines, regardless of circumstances. In one of these cases, the power company sued to collect damages from a pilot who had struck its line. The court refused to render such a decision, pointing out that it was up to the utility company to prove to the court's satisfaction that destruction of the wires was caused by negligence of the pilot.

Insurance companies have pointed to that ruling with increased regularity and almost uniform effect in States that are not saddled with "absolute liability" statutes. In those States in which such outmoded laws still exist, strong efforts are being made to remove them from the books.

Through the continuing efforts of AOPA and others, the Federal Power Commission appears to have reluctantly faced up to the extent of the problem and the need to do something about it, even before the President's pronouncement on natural beauty. In its two-volume National Power Survey 1964, the Commission acknowledged that "Public insistence for placing (power) lines underground is increasing. Remarkable strides are being made toward reducing the cost of underground facilities. On one system, the extra cost in new (housing) developments as compared with overhead service is one-fifth the excess cost required in 1947."

Earlier an advisory committee to the FPC had claimed peevishly: "For appearance reasons, utilities are being subjected to increasing pressures to place their facilities in uneconomic locations, to install them underground, or to use more costly types of aboveground construction. If they are to continue in the future to supply adequate and reliable service at low rates, solutions must be found to this problem.

"On the part of public authorities this requires that they recognize the public interest in the economical distribution of electricity and resist the pressures from minority groups and special interests to force utilities to use uneconomical locations and forms of construction."

In another portion of the National Power Survey 1964, it is stated: "In some circumstances buried cables are advantageous, but the usual cost is 5 to 10 times that of overhead circuits.

"Likewise, there are technical limitations on the use of high voltage underground cables * * * and it is uncertain as to whether present technologies allow for adequate insulation at * * * high voltages."

Nonsense, says Stanley Hiller, Sr., of Berkeley, Calif. An aviation pioneer who built his first plane in 1910, a noted business leader and inventor, he has waged a long and bitter feud with utility companies that claim underground transmission and distribution of electricity is more costly and problem-laden than overhead lines. To the contrary, Hiller said, underground cables can be laid at just two-thirds the cost and in one-third of the installation time for all utilities that overhead systems require. And the state of cable protection technology today is such that continuing maintenance costs will be greatly reduced by underground installation.

After retiring from the business world some years ago, Hiller decided to develop family land on the hills overlooking Oakland, Calif., as a housing area. He was adamant that the view of San Francisco Bay and surrounding cities would not be marred by unsightly powerlines and devised a system to consolidate utility cables underground. He set up a corporation, Coordinated Utilities, that provides installation franchises and engineering consultation on the subject. Since 1962, he has spoken widely on his single-trench system, with winning results. Community planners in various parts of the country are beginning to awaken to the fact that they have been hoodwinked for years by the power lobby's pressure tactics and reluctance to change.

When Presidenet Johnson last February delivered to Congress his message on preservation of natural beauty, the previously impervious power trust was shocked to its highest strands. He announced his intention of calling a White House Conference on Natural Beauty in mid-May, one subject of which would be discussion in depth of underground installation of utility transmission lines.

"It is my hope that this conference will produce new ideas and approaches for enhancing the beauty of America," Johnson said. "It will look for ways to help and encourage State and local government, institutions and private citizens, in their own efforts. It can serve as the focal point for the large campaign of public education which is needed to alert Americans to the danger to their natural heritage and to the need for action."

Just recently, Johnson got the opportunity to examine the other side of the coin—that of the hazard posed to flying by powerlines. In mid-July, a military helicopter making a reconnaissance flight over the area around the weekend White House at Johnson City, Tex., preceding the President's arrival, hit a powerline and crashed. A Secret Service man aboard the 'copter was uninjured, but the pilot and copilot sustained minor injuries and the craft was washed out.

The President's pitch for scenic beauty alone was enough to command rapid action. In May, Federal Power Commissioner Joseph C. Swidler announced the establishment of a national power survey industry advisory committee on underground transmission. The committee, comprised of representatives from 10 public utilities companies, was charged with investigating and preparing a report on the "state of the art" of underground transmission. Its report, to be completed within the next 2 years, is supposed to include an outline of the technical and economic problems involved; progress in overcoming those problems; and recommendations for accelerating research and development on the subject.

An argument put up by the power companies against undergrounding of utilities is that not enough research has yet been done to prove that underground transmission is either economically or technologically feasible. Yet, interestingly, a recent conference of the Institute of Electrical and Electronic Engineers brought forth some 25 separate papers dealing with recent progress in undergrounding of utilities.

Chaired by Harold A. Peterson, head of the University of Wisconsin Electrical Engineering Department, the committee held its first meeting on May 19. Task groups were designated to report at a second meeting on June 23 on preliminary data being collected for an initial report, due to be drafted this month. Unfortunately, according to sources within the FPC, the early blush of enthusiasm that attended the urge to preserve natural beauty already seems to have lost much of its luster.

FPC employees who staff the project reportedly regard it as a low-priority item and expect the report—if and when it is completed—to merely gather dust on obscure library shelves.

With an opportunity presented now for the first time of possibly throttling the unbridled spread of these manstrung tendons of potential aeronautical disaster, AOPA is taking a firm stand behind the preservation of natural beauty through elimination of overhead power lines. The lives, health and planes of general aviation pilots that may also be preserved or lengthened through such action are more than just incidental.

CONGRATULATIONS TO THE REPUBLIC OF MALI ON ITS INDEPENDENCE DAY

(Mr. MATSUNAGA (at the request of Mr. JACOBS) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MATSUNAGA. Mr. Speaker, the Republic of Mali celebrates the fifth anniversary of its independence on the 22d of September.

This vast landlocked country, located in the heart of former French West Africa, is a nation of brave and independent peoples who can trace their ancestries back to the great Mali Empire of the 13th century.

Once a quiet pastoral nation of farmers, fishermen, and herdsmen, Mali has begun to tackle the long climb toward modernization. Long self-sufficient agriculturally, Mali has begun new efforts, through the Office du Niger, to intensify cultivation and increase the stock of those agricultural surpluses that will enable her to build an effective local food processing industry.

Although she is making a concerted effort to build the industrial sector of her economy as well, it is to the credit of the Republic of Mali that economic growth has been expressed in terms of increasing the prosperity and well-being of the Malian people. In fact, in the realm of labor legislation and social welfare, Mali's accomplishments are equal to those of many nations which would otherwise be considered much more developed.

Although it has only been 5 years since the people of Mali received their independence from France, the efforts that they have already made, socially as well as economically, demonstrate that they possess the necessary resolution to make the difficult transition to modernization.

It is a pleasure for me to extend my congratulations to the Republic of Mali on this fifth anniversary of her independence.

BILL TO ESTABLISH ACADEMY ON FOREIGN AFFAIRS

Mr. WHITE of Texas (at the request of Mr. JACOBS) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHITE of Texas. Mr. Speaker, I have just introduced a bill to establish an Academy of Foreign Affairs for the United States. In this increasingly complex world, virtually every department of Government is concerned with foreign affairs in some way. With our worldwide mission of promoting peace and justice, of aiding other nations of the world to become self-sustaining and independent, it is essential that we have a well trained diplomatic force. It is also essential that we have an institution where we can coordinate the advanced studies of our foremost educational institutions in the field of foreign affairs. The Academy of Foreign Affairs, with its college and graduate school is intended to provide these services to the Nation. My bill should make the Foreign Service of our Nation a highly respected career, to be eagerly sought, with years of studious preparation.

Throughout much of modern history, Great Britain and France have been admired and envied for their diplomacy. Even when we may have disagreed with their motives, we have admired their diplomatic skills. Mr. Speaker, the bill I have just introduced is intended to give the United States of America diplomatic education second to none, and a growing tradition of high attainments of scholarship in the affairs of nations.

I would respectfully urge the earnest attention of my colleagues to this pressing problem.

MEANINGFUL HOME RULE FOR THE DISTRICT OF COLUMBIA

The SPEAKER. Under previous order of the House the gentleman from New York [Mr. MULTER] is recognized for 20 minutes.

(Mr. MULTER asked and was given permission to revise and extend his remarks, and to include extraneous matter.)

Mr. MULTER. Mr. Speaker, as the Members of the House well know, for many long days and hours the gentleman from New York [Mr. HORTON], the gentleman from Maryland [Mr. MATHIAS], the gentleman from Maryland [Mr. SICKLES], and I have been engaged in a bipartisan effort to bring to the District of Columbia home rule which will be meaningful home rule to the District.

We have just introduced a bill which we believe accomplishes that purpose and meets most of if not all of the objections raised to the bill due to be called up on Monday next. At that time I will offer the bill introduced today as an amendment. I urge all of our colleagues to read the bill and acquaint themselves with its terms. We will in the meantime send to each Member a brief explanation outlining the changes.

CALL OF THE HOUSE

Mr. WAGGONNER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 317]

Abbitt	Ford, Gerald R.	Moorhead
Abernethy	Frelinghuysen	Morris
Anderson, Ill.	Fulton, Tenn.	Morton
Andrews, George W.	Goodell	Murray
	Griffin	Nix
Ashley	Griffiths	O'Brien
Baldwin	Gubser	O'Hara, Ill.
Baring	Halleck	O'Neal, Ga.
Battin	Hanna	Ottinger
Belcher	Hansen, Wash.	Passman
Berry	Harris	Patman
Betts	Harsha	Pool
Blatnik	Harvey, Ind.	Powell
Bolling	Herlong	Price
Bolton	Hicks	Reid, N.Y.
Bonner	Holifield	Resnick
Bow	Holland	Rogers, Tex.
Brock	Hosmer	Roosevelt
Broomfield	Howard	Ryan
Broyhill, N.C.	Joelson	Schweiker
Burton, Utah	Johnson, Okla.	Scott
Cahill	Jonas	Senner
Casey	Jones, Ala.	Smith, Calif.
Clark	King, N.Y.	Smith, Va.
Clausen, Don H.	Kluczynski	Stalbaum
	Landrum	Steed
Colmer	Latta	Stephens
Conyers	Lindsay	Teague, Calif.
Curtis	Lipscomb	Teague, Tex.
Denton	Long, Md.	Thomas
Diggs	McClory	Thompson, Tex.
Dowdy	McEwen	Thomson, Wis.
Duncan, Oreg.	McFall	Toll
Edwards, Calif.	McMillan	Tupper
Erlenborn	Machen	Udall
Everett	Mackie	Utt
Evins, Tenn.	Martin, Ala.	Vivian
Farnsley	Martin, Mass.	Walker, N. Mex.
Farnum	Martin, Nebr.	Whitten
Findley	Miller	Widnall
Fino	Mize	Wilson, Charles H.
Fisher	Moeller	